

## Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 SSO-00 NSCE-00 INRE-00 USIE-00 CIAE-00

DODE-00 PM-03 H-02 INR-07 L-03 NSAE-00 NSC-05 PA-01

PRS-01 SP-02 SS-15 AID-05 COME-00 EB-07 FRB-03

TRSE-00 XMB-02 OPIC-03 CIEP-01 LAB-04 SIL-01 OMB-01

INT-05 /082 W

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O 312355Z JUL 75

FM AMEMBASSY LIMA

TO SECSTATE WASHDC NIACT IMMEDIATE 6122

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EO 11652: NA

TAGS: EINV, EMIN, PFOR, PE, US

SUBJ: MARCONA EXPROPRIATION--TEXT OF AMBASSADOR'S  
TALKING POINTS

REF: LIMA 6101 AND 6129

FOR DELIVERY OPENING OF BUSINESS AUGUST 1

FOLLOWING ARE TALKING POINTS MADE IN LARGE MEASURE ORALLY  
BY AMBASSADOR TO FONOFF SEC GEN GARCIA BEDOYA ON JULY 28  
AND GIVEN TO HIM IN WRITING TODAY, JULY 31. THEY WERE ALSO  
GIVEN JULY 30 TO GENERAL VILLALOBOS FOR DELIVERY TO PRIME  
MINISTER:

1. THE EXPROPRIATION OF MARCONA WITHOUT COMPENSATION COULD  
ENDANGER CONTINUED GOOD AND IMPROVING RELATIONS BETWEEN THE  
UNITED STATES AND PERU. THE REASONS ARE OUTLINED IN THE AT-  
TTACHED COPY OF A LETTER ON THIS SUBJECT SENT BY THE AMBASSADOR  
TO ACTING FOREIGN MINISTER RICHTER ON JULY 24.

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2. AN ADDITIONAL SOURCE OF CONCERN IS THE STRONG POLITICAL

TONE OF THE SPEECH MADE BY MINISTER FERNANDEZ MALDONADO IN SAN NICOLAS ON JULY 25. THIS SPEECH RAISES SERIOUS QUESTIONS, WITH REGARD NOT ONLY TO MARCONA'S RIGHTS TO PLEAD ITS CASE IN ACCORDANCE WITH PERUVIAN LAW, BUT ALSO TO THE RIGHTS BEFORE PERUVIAN LAW OF MULTINATIONAL FIRMS IN GENERAL.

3. THE SPEECH ALSO HAS IMPORTANT IMPLICATIONS FOR ALL PRESENT AND PROSPECTIVE FOREIGN INVESTORS IN PERU AND TO THE FUTURE ACTIVITIES OF FOREIGN PRIVATE BANKS AND INTERNATIONAL LENDING INSTITUTIONS WITH RESPECT TO PERU.

4. THESE POINTS REQUIRE URGENT CLARIFICATION. WE ASSUME THAT THE GOVERNMENT OF PERU DOES INTEND TO CONTINUE DISCUSSIONS WITH MARCONA LOOKING TOWARD A MUTUALLY SATISFACTORY ARRANGEMENT FOR COMPENSATION. IN THIS EVENT, PERU'S PROMPT ACTION TO INSTITUTE ORDERLY COMPENSATION PROCEDURES WILL GREATLY REASSURE FOREIGN PRIVATE INVESTORS AND FINANCIAL INSTITUTIONS AND WILL SERVE TO FORESTALL A STRONG REACTION BY WASHINGTON WHICH COULD OTHERWISE COMPLICATE RELATIONS BETWEEN THE TWO COUNTRIES.

5. AS THE AMBASSADOR'S LETTER TO ACTING FOREIGN MINISTER RICHTER STATED, THIS EMBASSY IS PREPARED TO BE OF ANY ASSISTANCE IT CAN TO THE GOVERNMENT OF PERU IN ESTABLISHING COMPENSATION PROCEDURES OR IN ANY OTHER AREA IN WHICH THE PERUVIAN GOVERNMENT BELIEVES THE EMBASSY CAN BE HELPFUL.

6. SENIOR MARCONA OFFICIALS HAVE ASSURED THE EMBASSY THAT MARCONA IS FULLY PREPARED TO COOPERATE WITH THE GOVERNMENT OF PERU IN ASSISTING IN THE ORDERLY TRANSFER OF FORMER MARCONA PROPERTIES TO HIERRO PERU AND IN ASSURING A CONTINUED FLOW OF THE SUPPLIES AND SPARE PARTS NEEDED FOR THE EFFICIENT OPERATION OF ALL FACILITIES. MARCONA WOULD WELCOME AN OPPORTUNITY TO REESTABLISH CONTACT WITH THE GOVERNMENT OF PERU.

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
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**To:** STATE  
**Type:** TE  
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